

BOARD OF REGENTS  
BUSINESS, FINANCE, AND AUDIT COMMITTEE MEETING  
JULY 14, 2011  
VAN HISE HALL, UW-MADISON

Joint Meeting of the Education Committee and the Business, Finance, and Audit Committee  
(Room 1820, Van Hise Hall)

See Education Committee minutes for a summary of this portion of the meeting.

Business, Finance and Audit Committee  
(Room 1920, Van Hise Hall)

The Business, Finance, and Audit Committee meeting was reconvened and called to order at 12:50 p.m. by Regent Falbo. Regents Michael Falbo, Mark Bradley (on phone), Charles Pruitt, and Betty Womack were present.

**a. Delegation of Unclassified Personnel Flexibilities [Resolution I.2.a.]**

Associate Vice President for Human Resources Alan Crist stated this is the third round of delegations of unclassified personnel flexibilities to the Chancellors.

Upon the motion of Regent Pruitt and the second of Regent Womack, the Committee unanimously approved Resolution I.2.a.

**[Resolution I.2.a.]**

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents:

- 1) approves the President's request to delegate to the UW System President the Board's authority to approve the Vice Chancellor/Provosts' pay plan and base adjustments, and endorses the President's recommendation that this authority be further delegated to the UW Chancellors;
- 2) approves the President's request to delegate to the UW System President the Board's authority to appoint and set the salary for the UW Colleges Deans, and endorses the President's recommendation that this authority be further delegated to the UW Colleges and UW-Extension Chancellor; and
- 3) endorses the President's delegation of authority to the UW Chancellors to:
  - a) recruit, appoint and set the salary within the Board of Regents' approved salary range for new and interim Vice Chancellor/Provost hires;
  - b) approve the faculty salary when an administrator returns to a faculty position;

- c) use modified chancellor titles (Vice Chancellor (non-deputy), Assistant Chancellor, etc.) and assign the position to a UW System salary range;
- d) approve extraordinary salary ranges for unclassified staff;
- e) approve and establish institution-specific peer institutions for market salary comparisons.

**b. Semi-annual Status Report on Large/Vital Information Technology Projects per Wisconsin Statutes 13.58(5)(b)(3)**

Associate Vice President for Learning and Information Technology Ed Meachen provided a status report on three major UW System information technology projects, as required under 2007 Wisconsin Act 20. The three large (defined as over \$1 million) projects are the Legacy Budget project, the Oracle PeopleSoft Human Resource System (HRS) project, and the Pioneer Administration Software System (PASS) Reimplementation at UW-Platteville. As phase I of the Legacy Budget Interface project has been deployed, this will be the last report on that project. The HRS project was discussed in more detail in the Senior Vice President's report to the Committee. UW-Platteville was one of the first UW institutions to implement the PeopleSoft Student Information System. The latest iteration of the software is needed in part because of the growth in online programs. The reimplementation will incorporate distance education into PASS and fully utilize the capabilities of the Peoplesoft Campus Solutions product for the benefit of all students, faculty, and staff. Meachen reported that all major projects are on target with respect to schedule, scope, and budget status.

**c. United Council Mandatory Refundable Fee Adjustment [Resolution I.2.c.]**

The Committee heard from United Council representatives Nicole Juan, Dylan Jambrek, and Tyler Borkowski on the issue of adjustment of the Mandatory Refundable Fee (MRF). This fee is the primary source of funding for United Council of UW Students, which has a membership of 150,000 students at 21 campuses. The MRF is not a segregated fee and is assessed separately on student tuition bills. The fee, which was last increased in 2004, is currently \$2 per student per academic term. As the name implies, the fee is completely refundable within the first 45 days of each academic term to any student who writes United Council and provides documentation of their tuition bill. United Council requested approval of a fee adjustment of \$1, from \$2 to \$3 per student per academic term.

United Council's presentation covered the organization's mission, history, membership, main areas of work, structure, student involvement, and services to students. The four promises to students are that: 1) students are heard, supported, and enabled to affect change; 2) United Council's presence in government is respected and valued; 3) the quality and value of both education and the student experience is continually improving and maximized; and 4) United Council recognizes and advocates for the University of Wisconsin System's link to the prosperity of the State of Wisconsin. The United Council representatives also detailed the steps they have taken to gain student approval for this increase, provided the Committee with detailed financial statements, and explained the activities that will be supported by the fee increase (increased organizational visibility, staff capacity, and student participation). The Committee

expressed their appreciation for what they see as an “extraordinary” evolution of United Council.

Upon the motion of Regent Pruitt and the second of Regent Womack, the Committee unanimously approved Resolution I.2.c.

**[Resolution I.2.c.]**

That, upon the recommendation of the Executive Director of the United Council of University of Wisconsin Students, the Board of Regents approves the adjustment of the Mandatory Refundable Fee from \$2.00 to \$3.00 per student per academic term beginning in the fall semester of 2011.

**d. Office of Operations Review and Audit: Quarterly Status Update**

Director of Operations Review and Audit Elizabeth Dionne reviewed the major audit projects being conducted by her office. She remarked that a reconfirmation of the audit plan was added to the list because of changing priorities resulting from the new flexibilities granted to the UW System in the 2011-13 budget. Regent Falbo commented that the major goal of the audit function in these times is to focus on efficiencies, cost savings, and best practices. Regent Womack asked about including a timeline in the quarterly updates, stating it would be helpful in talking about status. An anticipated timeline will be incorporated into future status updates.

**e. Trust Funds**

1. Request for Principal Expenditure – Laurabell S. Tullock Bequest [Resolution I.2.e.1]  
The Committee heard from Professor James Weisshaar, Chair of the UW-Madison Chemistry Department, regarding a request for an exception to Board policy allowing a greater portion (2/3) of the Tullock gift be designated as spendable. He explained the challenges of hiring and retaining faculty in the current climate and in remaining a “top 10” chemistry department. Startup packages of \$1 million are needed in order to be competitive. Funds are also needed to retain their “superstars” who are receiving outside offers of \$2-3 million in startup funding. The additional funds from this gift will be used to top off startup and retention packages as deemed necessary by the Chemistry Department’s Finance Committee.

Upon the motion of Regent Pruitt and the second of Regent Womack, the Committee unanimously approved Resolution I.2.e.1.

**[Resolution I.2.e.1.]**

That, upon the recommendation of the Chair of the Department of Chemistry, the Chancellor of UW-Madison, and the President of the University of Wisconsin System, the Board of Regents approves two-thirds of the principal of the bequest from the Laurabelle S. Tullock estate being made available for spending.

**f. Committee Business**

1. Approval of the Minutes of the June 9, 2011 Meeting of the Business, Finance, and Audit Committee.

Upon the motion of Regent Pruitt and the second of Regent Womack, the Committee approved the minutes of the June 9, 2011 meeting of the Business, Finance, and Audit Committee.

2. UW-Madison Agreement with INC Research [Resolution I.2.f.2.]

The Committee was asked to approved a contract between UW-Madison and INC Research, LLC for clinical trials. UW-Madison Vice Chancellor for Administration Darrell Bazzell explained that this just came up last week and acknowledged the special efforts to include it on the agenda.

Upon the motion of Regent Pruitt and the second of Regent Womack, the Committee approved Resolution I.f.2.

**[Resolution I.f.2.]**

That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the University of Wisconsin-Madison and INC Research, LLC.

**g. Report of the Senior Vice President**

1. Human Resource System Status Update

Senior Vice President Michael Morgan provided the regular update on the Human Resource System (HRS) implementation. The report (May 1-31 period) included in the materials noted that everything is on time and the technology is working well. There have been some stabilization challenges, however, and the team is working to resolve some of the more difficult issues by providing additional training and meeting with HR/payroll staff on individual campuses to work through problem areas. The problems seem to be isolated to time/labor and payroll processing. The Service Center staff has been on several campuses trying to get the problems resolved before the September influx back to campuses. They are also taking a look back at the implementation plan to see if anything was overlooked in the planning process.

Regent Falbo raised a concern about the budget and depending on the contingency. Michael Morgan responded with concern about the “burn rate” due to needing to retain the consultants longer. Regent Pruitt asked about shared responsibility with Huron. Morgan responded that we haven’t progressed to that point yet, but will have those discussions at the appropriate time, after we have looked back at the planning.

2. Plans for Delegation Under the 2011-13 Biennial Budget

Senior Vice President Michael Morgan shared some initial thoughts on the rollout of the new

flexibilities granted in the 2011-13 budget. He distributed a timeline which has also been shared with Chancellors and Chief Business Officers. Regent Falbo asked about quantifying the flexibilities and cost efficiencies. Morgan responded that we haven't gotten that far yet, but Administrative and Fiscal Affairs is developing a new business model for how we provide services to campuses and the Board. The discussions have already started with the President's Advisory Committee on the Roles of UW System Administration. Those recommendations will be presented at the September meeting.

The meeting was adjourned at 2:02 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kate Wodyn". The signature is written in black ink and is positioned below the typed name.

Kate Wodyn  
Recording Secretary